



ARIZONA DEPARTMENT OF ECONOMIC SECURITY

1789 W. Jefferson • P.O. Box 6123 • Phoenix, AZ 85005

Janet Napolitano
Governor

David A. Berns
Director

February 23, 2004

WIA GUIDANCE LETTER #03-04

**SUBJECT: TECHNICAL ASSISTANCE AND CORRECTIVE ACTION POLICY –LOCAL
AREA FAILURE TO MEET PERFORMANCE LEVELS**

REFERENCE: P.L. 105-220, §136(h)(1)(2) of the Workforce Investment Act (WIA) of 1998; 20 CFR Part 652 et al., Subpart D §666.420 of the WIA Final Rule dated August 11, 2000; U.S. Department of Labor (USDOL) Training and Employment Guidance Letter (TEGL) No. 8-99 dated March 3, 2000

BACKGROUND: One of the seven key principles upon which the WIA was enacted is “increased accountability.” This relates to the commitment made by the state and local boards, to continuously strive toward improving the quality of Arizona’s workforce through increased employment, retention, and earnings for WIA participants. Consistent with this commitment, the Act authorizes incentive funds for state and local entities that exceed negotiated performance levels. Conversely, the Act calls for corrective actions to be taken whenever state or local area performance levels fall below negotiated levels.

The complexities surrounding calculations and reporting periods for the fifteen WIA core performance measures have been problematic at the state and local level. For this reason, issuance of a corrective action policy related to local area performance has been postponed up until now. However, given the current depth of local experience with WIA performance, together with the state’s conversion to a new client tracking system, Virtual One Stop (VOS), issuance of a formal corrective action policy is warranted at this time.

This guidance memo provides the specifics of the corrective action policy intended to give local areas and the state a way to identify and address programmatic issues that may adversely impact local provision of services to WIA customers, resulting in lower-than-expected performance results. **As described in detail in Attachment A, the policy will take effect beginning with Local Areas’ annual performance outcomes for Program Year 2003. Under this policy, a local area is required to submit to the Employment Administration/WIA a corrective action plan that addresses each core performance measure for which the LWIA’s annual performance level falls below 80% of the level negotiated with the state.** The fifteen core performance measures are as follows:

- | | |
|-----------------------|--|
| ◆ Adults: | Entered Employment, Employment Retention, Earnings Gain, and Employment + Credential |
| ◆ Dislocated Workers: | Entered Employment, Employment Retention, Earnings Replacement Rate, and Employment + Credential |
| ◆ Older Youth: | Entered Employment, Employment Retention, Earnings Gain, and Credential |
| ◆ Younger Youth: | Skill Attainment, High School Diploma or Equivalent, and Retention |

Note: Under Re-authorization of the Workforce Investment Act, the core measures of performance may change, effective in Program Year 2004. Unless LWIAs are notified otherwise, the corrective action policy delineated herein shall apply to any new or modified core measures under WIA Re-authorization.

For purposes of this policy, the following performance definitions/thresholds shall apply:

Exceeds Performance

A local performance result that is 101% or higher of a negotiated performance level.

Meets Performance

A local performance result that is between 80% and 100% of a negotiated performance level.

Fails Performance

(1) A local performance result that is less than 80% of a negotiated performance level. (2) A local performance result that requires an LWIA to submit a corrective action plan to the state Employment Administration/WIA.

ACTION REQUIRED: WIA Program Directors are strongly urged to distribute this guidance memo and its attachment to all staff responsible for programmatic and MIS oversight of WIA performance outcomes.

Please contact Ms. Pat Gregan, Manager of Planning and Program Development at (602) 542-2490 for additional information.

Sincerely,



David R. Ellis
Program Administrator (Interim)
Employment Administration/WIA

DRE:PG:kds

Attachment - A

ATTACHMENT A

**STATE OF ARIZONA
LOCAL WORKFORCE INVESTMENT AREA
CORRECTIVE ACTION
AND
TECHNICAL ASSISTANCE PLAN
FOR
FAILED PERFORMANCE OUTCOMES**

February 2004

**LOCAL WORKFORCE INVESTMENT AREA (LWIA)
CORRECTIVE ACTION AND TECHNICAL ASSISTANCE PLAN
FOR
FAILED PERFORMANCE OUTCOMES**

INTRODUCTION

Ref: WIA Guidance Letter No.03–04 dated February 18, 2004

The plan delineated herein is authorized under Section 136(h)(1) and (2) of P.L. 105-220, the Workforce Investment Act dated August 7, 1998 and under 20 CFR Part 652 et al., Section 666.420 of the WIA Final Rules dated August 11, 2000.

This plan applies to all duly designated Local Workforce Investment Areas (LWIAs) in the State of Arizona, and is effective beginning with local, annual performance outcomes for WIA Program Year 2003. The Corrective Action and Technical Assistance Plan gives LWIAs the opportunity to identify and request technical assistance as needed to effectively execute a performance improvement strategy.

For purposes of this plan, the following definitions/thresholds shall apply to the fifteen core performance measures:

<u>Exceeds Performance</u>	A performance result that is 101% or higher of a negotiated performance level
<u>Meets Performance</u>	A performance result that is between 80% and 100% of a negotiated performance level
<u>Fails Performance</u>	A performance result that is less than 80% of a negotiated performance level. A performance result that requires an LWIA to submit a corrective action plan to the state Employment Administration/WIA.

The fifteen WIA core performance measures are as follows:

- | | |
|-----------------------|--|
| ♦ Adults: | Entered Employment, Employment Retention, Earnings Gain, and Employment + Credential |
| ♦ Dislocated Workers: | Entered Employment, Employment Retention, Earnings Replacement Rate, and Employment + Credential |
| ♦ Older Youth: | Entered Employment, Employment Retention, Earnings Gain, and Credential |
| ♦ Younger Youth: | Skill Attainment, High School Diploma or Equivalent, and Retention |

<p>Note: Under Re-authorization of the Workforce Investment Act, the core measures of performance may change, effective in Program Year 2004. Unless LWIAs are notified otherwise, the corrective action policies delineated herein shall apply to any new or modified core measures under WIA Re-authorization.</p>

FAILURE TO MEET ONE OR MORE LOCAL PERFORMANCE LEVELS YEAR 1

If an LWIA fails to meet one or more negotiated performance levels in a single program year (PY) beginning with PY 2003 (July 1, 2003 through June 30, 2004) based on annual performance outcomes, the LWIA is precluded from receiving incentive awards for each participant category (adult, dislocated worker, older youth, younger youth) in which performance outcomes were not met. The LWIA must develop a Corrective Action/Technical Assistance Plan using the form provided in this policy document.

FAILURE TO MEET ONE OR MORE LOCAL PERFORMANCE LEVELS YEAR 2

If an LWIA fails to meet one or more negotiated performance levels for the same performance measure(s) for a second consecutive program year (PY) beginning with PY 2003 (July 1, 2003 through June 30, 2004) annual performance outcomes, the LWIA is precluded from receiving incentive awards for each participant category (adult, dislocated worker, older youth, younger youth) for the two program years in which performance outcomes were not met. The LWIA must also submit a Corrective Action/Technical Assistance Plan using the form included in this policy document. A monetary reduction in WIA Title IB formula funds may be imposed on the funding allocation for the program year immediately succeeding the two program years of failed performance. The monetary reduction will be based on the number of measures failed for two consecutive years within each WIA participant category (adult, dislocated worker, older youth, and younger youth). At a later date, the Governor's Council on Workforce Policy will recommend further guidance regarding the specific funding reductions that will apply in cases of failed performance over two consecutive program years.

Funding withheld from LWIAs for performance failures will be held in abeyance by the Employment Administration/WIA. The funds will then be made available to all LWIAs for performance-related assistance identified through the corrective action/technical application process.

An LWIA's continued failure to meet negotiated levels of performance beyond two years will require the Governor to take additional corrective action. Such corrective action *may* include the development of a reorganization plan under which the Governor:

- (a) Requires the appointment and certification of a new Local Workforce Investment Board (LWIB); **or**
- (b) Prohibits the use of particular service providers or One-Stop partners that have been identified as achieving poor levels of performance, **or**
- (c) Requires other appropriate measures designed to improve the performance of the local Area

Check One: **YEAR 1** ☐ **YEAR 2** ☐

Date: _____

Contact Person:_____ **Title:** _____

Telephone Number: _____ **E-mail:** _____

1. List the performance measure(s) for which the LWIA failed to achieve at least 80 percent, *and* list the actual percentage achieved for each.

2. For each of the above measures, provide a detailed explanation or analysis of why the LWIA failed to achieve the minimum 80 percent.

Corrective Action/Technical Assistance Form (Performance Measures)

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3. Based on the above analysis, describe what corrective action(s) will be taken and the timeline for such action(s) to ensure that the minimum 80 percent performance will be achieved in subsequent program years. **See “Items to Consider in Developing a Corrective Action/Technical Assistance Plan” on Page 5 of this form for additional guidance.**

Note: For Year 2 Performance Failure Only, also include an analysis of why the Corrective Action/Technical Plan initiated in Year 1 was not successful.

4. Will technical assistance be required from sources other than your LWIA staff resources as part of your corrective action plan?

☐ Yes

☐ No

5. If “Yes,” use the chart below to identify the source(s) and the type(s) of assistance, and how the assistance will help to achieve the previously described corrective action goals. For example, local training may be available from governmental or private entities. At the State level, your WIA Quality Assurance Liaison may be able to provide assistance or identify other sources available to meet your specific needs, such as other WIA staff, VOS technical staff, One-Stop partner agencies, other LWIBs, or other sources.

Assistance		
Type	Assistance Provider	Goal

NOTE: Questions 6 through 8 are applicable to Year 1 Corrective Action/Technical Assistance Plans only.

6. Will any of the technical assistance sources identified above require funding not currently available to the LWIA?

☐ Yes

☐ No

7. If “Yes,” do you plan to apply for technical assistance funds from the State?

☐ Yes

☐ No

8. If “Yes,” complete the “**Application for Technical Assistance Funds**” below.

APPLICATION FOR TECHNICAL ASSISTANCE FUNDS
FAILURE TO MEET PERFORMANCE MEASURES
WIA PROGRAM YEAR _____

A Local Workforce Investment Area (LWIA) may not receive more funding for technical assistance than it would have been eligible for through performance incentive awards for the program year noted above.

Note: Technical assistance funds will not be provided for the following:

- ◆ Administrative Costs
- ◆ Staff Salaries or Benefits
- ◆ Out-of-state Travel
- ◆ Meals or Refreshments
- ◆ Capital Equipment Purchases, Including Computers or Other Electronic Office Equipment

ITEM	TECHNICAL ASSISTANCE FUNDS REQUESTED	
	\$	
TOTAL FUNDS REQUESTED	\$	

Corrective Action/Technical Assistance Form (Performance Measures)

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SIGNATURE PAGE

This Corrective Action/Technical Assistance Plan is submitted on behalf of the

_____ Local Workforce Investment Area.

_____ Name Local Workforce Investment Board Chair	_____ Signature	_____ Date
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_____ Name WIA Program Director	_____ Signature	_____ Date
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IMPORTANT: The completed Corrective Action/Technical Assistance Form must be submitted to the Department of Economic Security, Employment Administration within thirty (30) days following the LWIA's receipt of its annual performance outcomes for the year in which one or more negotiated performance levels were not met.

Two (2) original copies of the Corrective Action Form must be signed and mailed to the address below:

***Department of Economic Security
Employment Administration – WIA
Attn: WIA Planning and Program Development
1789 West Jefferson Street, Site Code 920Z
Phoenix, AZ 85007***

In addition, one (1) electronic copy of the document must be sent to the following e-mail address:

Pgregan@de.state.az.us

ITEMS TO CONSIDER IN DEVELOPING A CORRECTIVE ACTION PLAN

- Improving the assessment methodology to ensure appropriate referrals to Intensive and Training services
- Training for staff and/or subcontractors through a combination of cross-training by strong performers and on-site visits elsewhere in your LWIA or other LWIAs
- Training on adult, dislocated worker, and youth performance management
- Training on job development and participant employment retention strategies
- Training on Workforce Investment Act (WIA) case management for adults, youth, or dislocated workers
- Streamlining customer service
- Improving local partnerships and expanding services in the One-Stop system
- Improving monitoring of subcontractors
- Training on the efficient day-to-day use of Virtual One-Stop (VOS)
- Training on VOS reporting capabilities
- Acquisition of updated labor market information tailored to local participant and employer needs
- Development of specialized outreach efforts to publicize the services available in the One-Stop Career Centers for all participant groups.
- Reorganization of the WIA staffing structure
- Services to assess the LWIA's procurement system
- Improving linkages with the business community
- Improving client follow-up services.